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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From:  
Securities and Exchange Commission  
Office of FOIA Services  
100 F Street, NE  
Washington, DC 20549-2736

Extension: Rule 17a-12/Form X-17A-5 Part IIB

SEC File No. 270-442, OMB Control No. 3235-0498

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 et seq.), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 17a-12 (17 CFR 240.17a-12) and Part IIB of Form X-17A-5 (17 CFR 249.617) under the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 17a-12 is the reporting rule tailored specifically for over-the-counter (“OTC”) derivatives dealers registered with the Commission, and Part IIB of Form X-17A-5, the Financial and Operational Combined Uniform Single (“FOCUS”) Report, is the basic document for reporting the financial and operational condition of OTC derivatives dealers. Rule 17a-12 requires registered OTC derivatives dealers to file Part IIB of the FOCUS Report quarterly. Rule 17a-12 also requires that OTC derivatives dealers file audited financial statements annually.

There are currently four registered OTC derivatives dealers. The staff expects that one additional firm will register as an OTC derivatives dealer within the next three years. The staff

estimates that the average amount of time necessary to prepare and file the quarterly reports required by the rule is eighty hours per OTC derivatives dealer<sup>1</sup> and that the average amount of time to prepare and file the annual audit report is 100 hours per OTC derivatives dealer per year, for a total reporting burden of 180 hours per OTC derivatives dealer annually. Thus the staff estimates that the total industry-wide reporting burden to comply with the requirements of Rule 17a-12 is 900 hours per year (180 x 5). Further, the Commission estimates that the total internal compliance cost associated with this requirement is approximately \$255,000 per year.<sup>2</sup> The average annual reporting cost per broker-dealer for an independent public accountant to examine the financial statements is approximately \$46,300 per broker-dealer. Thus, the total industry-wide annual reporting cost is approximately \$231,500 (\$46,300 x 5).

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

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<sup>1</sup> Based upon an average of 4 responses per year and an average of 20 hours spent preparing each response.  
<sup>2</sup> Based on staff experience, an OTC derivatives dealer likely would have a Compliance Manager gather the necessary information and prepare and file the quarterly reports and annual audit report and supporting schedules. According to the Securities Industry and Financial Markets Association Report on Management and Professional Earnings in the Securities Industry dated October 2013, which provides base salary and bonus information for middle-management and professional positions within the securities industry, the hourly cost of a compliance manager, which the Commission staff has modified to account for an 1800-hour work year and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead, is approximately \$283/hour. \$283/hour times 900 hours = \$254,700, rounded to \$255,000.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street, NE Washington, DC 20549, or send an e-mail to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: September 8, 2015

Robert W. Errett  
Deputy Secretary

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